

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION
December 21, 2004**

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FROM: AURELIO W. DE LA TORRE, Director
Purchasing Department

SUBJECT: BARCODE AND PRESORT MAIL SERVICES

RECOMMENDATION: Approve Amendment No. 2 to Contract 01-1139 A-1 with Inland Presort and Mailing Services extending the term of the contract from January 1, 2005 until February 28, 2005.

BACKGROUND INFORMATION: On September 28, 2004, the Board of Supervisors approved Amendment No. A1 to Agreement No. 01-1139 extending the term of the contract with Inland Presort and Mailing Services from November 1, 2004 to December 31, 2004 and increasing the dollar amount of \$600,000 to \$800,000 with Inland Presort and Mailing Services for the processing of barcode/presort mail. In addition, authorization was received from the Board of Supervisors to issue Request for Proposal (RFP) PUR04-01 for barcode and presort mail services.

On September 29, 2004, RFP PUR04-01 was posted on the County's web site and announcements were mailed to six vendors. Only two vendors (Ancora Capital & Management, LLC of Anaheim and Inland Presort and Mailing Services of Redlands) responded by the proposal due date. A committee comprised of representatives from Purchasing and the Auditor-Controller/Recorder evaluated both responses. The criteria that both proposals were evaluated on included a comprehensive review and evaluation of qualifications, ability to meet the same day delivery of mail to the US Postal Service, price, quality control, technology, and experience. The vendor recommended, Ancora Capital & Management, LLC, was deemed by the committee to be the most qualified to provide barcode and presort mail services for San Bernardino County.

The current agreement with Inland Presort and Mailing Services expires December 31, 2004 and is recommended to be extended through February 28, 2005 to allow sufficient time to complete contract negotiations, reference checks, and to ensure all terms of the Request for Proposal will be met with the awarded vendor. Inland Presort and Mailing Services has agreed to extend the services for an additional two months since anticipated expenses of \$625,000 through December 31, 2004 will leave a projected contract balance of \$175,000. Based on a monthly average of \$26,800 for the last six months, this projected contract balance is sufficient to provide services for an additional two months. Upon completion of the contract negotiations with Ancora Capital & Management, LLC, the Purchasing Department will return to the Board of Supervisors with a recommendation to award the contract to Ancora Capital & Management, LLC. This action complies with County Policy 11-05, which requires departments to seek Board approval when contracting for services in excess of an aggregate cost of \$25,000 per scope of services, per vendor, per agency, department or Board-governed special district, per fiscal year.

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REVIEW AND APPROVAL BY OTHERS: This item has been approved as to legal form by County Counsel (Michelle Blakemore, Deputy County Counsel, 387-5445) on December 9, 2004, and has been reviewed by the County Administrative Office (Lynn Chacon, Administrative Analyst, 387-5426) on December 13, 2004.

FINANCIAL IMPACT: Approval of this amendment will not exceed the \$800,000 aggregate limit previously approved by the Board on September 28, 2004. Costs through December 31, 2004 are estimated at \$625,000 leaving a balance of \$175,000, which is sufficient to provide an additional two months of service. Adequate appropriations are included in Central Mail Services 2004-05 Budget (IAY PUR PUR). There is no impact to local cost.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and concurs with the department's proposal and recommends this action based on the necessity for barcode and presort mail services for all County departments.

SUPERVISORIAL DISTRICT(S): All.

PRESENTER: Aurelio W. De La Torre, Director, Purchasing Department, 387-2074

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